

Calbag Resources Demolition & Salvaging at Columbia Falls Aluminum

April 4, 2016 Status

Summary

Calbag purchased the Aluminum Plant Infrastructure from the Columbia Falls Aluminum Company April 27, 2015. Work began in late May 2015 when Calbag mobilized notable equipment and resources to the site. Calbag employs on average **70** employees and sub-contractors throughout the effort. As of March 31, 2016 Calbag has **38** employees on site of which approximately **70** % are local hires.

In addition Calbag utilizes various sub-contractors depending on the activities.

Calbag Resources has extensive experience dismantling primary aluminum smelters in the Pacific Northwest. Calbag purchased and dismantled the former Dalles Aluminum Smelter in The Dalles, Oregon and the Goldendale Aluminum Smelters near the John Day Dam on the Columbia River previously. Both demolitions were completed by 2012 and include the disposal of all a hazardous waste. Calbag purchased scrap from the former Kaiser Mead Aluminum Smelter in Mead, WA, the former Kaiser Aluminum Smelter in Tacoma, WA, the former Troutdale Aluminum Smelter in Troutdale, Oregon, the former Alcoa Aluminum Smelter in Vancouver, WA, the former Alcoa Smelter in Longview, WA and the former Ormet Aluminum Smelter in Hannibal, OH.

Schedule

The project was scheduled to take 30 months, with a completion date set as Fall of 2017. The critical path of the project centers on the removal of the former aluminum smelting pots in the main building; there are 451 cathodes (lower portion of the pot) remaining in the potline building.

Regulatory Framework

Calbag operations are regulated by Montana Department of Environmental Quality (MDEQ); some of the regulatory groups overseeing Calbag Operations are:

- MDEQ Asbestos Control Group
- MDEQ Waste Management (hazardous and non-hazardous) Groups
- Other MDEQ groups may have regulatory oversight, depending on activities

Permitting & Approvals Status

Calbag purchased the aluminum pots in the potline building. The lower portion of the pot (cathode) must be disposed as hazardous waste (K088). Calbag requires MDEQ approval for all procedures to remove the K088 from the potline building and dispose of this waste in compliance with hazardous waste regulations.

Calbag submitted their first work plan to MDEQ on **August 7th 2015** with additional submittals on November 19th 2015, January 29th 2016 and March 8 2016.

Calbag is waiting for a response to the March 08, 2016 submittal as of today. With the submittal of their plan on January 13, 2016, Calbag submitted a 527 page document entitled "Columbia Falls Aluminum Building 1 Reuse, Repurpose and Recycle Materials Waste Determination Summary Report". This report profiled the suitability of scrap iron, copper, aluminum, tin, cast iron, stainless steel, anode carbon for reuse or recycle and demonstrated these materials were not a waste.

Calbag utilizes the consulting firm of Tetra Tech of Helena for technical support and assistance as well as the Donely Law firm in Helena Montana.

Current Progress

To date Calbag has demolished 16 small buildings, the 30,000 square foot rod mill, all of the electrical gear in the East and West Rectifier yards, recycled 47 transformers. All of the anodes have been removed from pot lines 1 -5 (300 anodes), including the removal and resale of the anode carbon which is being reused to produce new carbon steel. Eleven hundred (1100) tons of rebar have been removed from the floor slabs and approximately 9000 tons of floor slab concrete has been processed for recycle.